

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Health Insurance

**Policy  
Number**

M-56

**Page**

1 of 5

**Purpose**

To establish the Board of Supervisors' legislative policy regarding health insurance, and to provide guidance to the County's legislative representatives when advocating the County's interests to legislators, other elected officials and policy makers.

**Background**

Over six million Californians do not have health insurance coverage. There are two major impacts, resulting from not having health insurance coverage, they are:

1. Health problems go untreated until they become emergencies or until they threaten the public health; and
2. Public and private health care providers must assume a larger share of uncompensated care, which threatens to bankrupt California's health care delivery system.

These problems can be addressed by: increasing public resources to directly pay for health care provided to the uninsured; creation of a state-supervised or state-sponsored health insurance program to provide coverage to some or all of those currently uninsured; or by some other manner. The County must be in a position to respond to proposals to increase insurance coverage.

Any health insurance legislation must account for the well-documented fiscal crisis of counties by including means to offset the costs of any new or expanded mandates on counties. Requiring counties to provide additional services or expanded coverage for their employees without the means to meet the costs of the new mandates would result in reduced county services.

There are several areas of concern for the County:

- What are the impacts of mandatory health insurance on the County as an employer, as the health care provider of last resort, and as the government agency responsible for operating public health programs?
- How should a mandatory health insurance program be administered?
- What should be the scope of benefits?
- What impacts on the private sector would result?
- Would the program promote prevention activities?

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Health Insurance

**Policy  
Number**

M-56

**Page**

2 of 5

As an employer, the County is concerned about the cost of purchasing health insurance for its employees and their dependents. Factors affecting the cost of insurance include the number of employees covered and the insurance benefits the County must purchase.

Increasing the County's obligation to provide insurance coverage without a means to offset the increased costs would force the County to reduce services elsewhere.

As a health care provider, a major concern for the County is its ability to finance the care it is mandated to provide. Section 17000 of the Welfare and Institutions Code requires California counties to "... relieve and support indigent persons, and those incapacitated by age, disease, or accident..." when those persons have no other means. Health insurance proposals which would reduce the demand for County-funded care have the potential to assist the County. However, proposals to redirect existing state health care funds to support a health insurance program for employed persons could leave the County in a worse financial condition. Most of the indigents assisted by County health care programs are unemployed. An insurance program for employees and their dependents, subsidized by state funds now used by the County to provide indigent health care (e.g., MISP), could leave the County with a mandate to provide care for indigent, unemployed persons, but without the resources to meet the obligation.

The County is also concerned about the impact on the private sector. The economic health of the private sector, particularly small business, plays a critical role in the demand for County-provided services and the County's ability to finance those services. A mandatory health insurance program should not be overly burdensome for small businesses.

The Board strongly believes that prevention services are preferable to remedial services, and has adopted an official Board policy underscoring this belief. Health care services such as perinatal care have shown conclusively that money spent on such care prevents significant expenditures later in life. If a state-sponsored or state-supervised health insurance program is adopted, it should include preventive care benefits.

**Policy**

The legislative policy of the Board of Supervisors regarding health insurance is to:

**I. Impacts on San Diego County Government**

**A. As an Employer**

1. Oppose legislation that would require the County to assume new duties, offer new services, or pay for expanded coverage for its employees unless:

- a. there is adequate and dependable revenue to support the full costs of the new duties or services; or

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Health Insurance

**Policy  
Number**

M-56

**Page**

3 of 5

- b. there is corresponding reduction in net County cost brought about by a reduction or elimination of costs related to an existing mandate.
  2. Oppose legislation that would require the county to pay new taxes (such as a payroll tax) or fees on county-owned or –operated facilities to fund an insurance program unless the proposal would reduce net County costs by at least as much as the new tax or fee.
  3. Support legislation that would allow employers to pass on to employees the cost of any required coverage in excess of coverage now being provided.
  4. Support legislation that would allow employers flexibility in determining the benefits offered to employees.
- B. As a Health Care Provider
  1. Support legislation that would guarantee a state revenue source to finance any remaining county responsibility for indigent medical care.
  2. Oppose legislation that would reduce funding for indigent health care without a commensurate transfer or reduction of responsibility, including elimination of the Beilenson Act (Health and Safety Code § 1442 and §1442.5) and Welfare and Institutions Code § 17000.
  3. Support legislation that would make voluntary, rather than mandatory, county participation as a provider of medical services in a state-sponsored or state-supervised health insurance program.
  4. Support legislation that would improve Medi-Cal program administration, and private provider participation in the Medi-Cal program.
  5. Support legislation that would protect funding for public health services.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Health Insurance

**Policy  
Number**

M-56

**Page**

4 of 5

II. Health Insurance Program Administration

- A. Support legislation that would promote health insurance administration that is flexible, responsive, accessible, and sensitive to the cultural and ethnic diversity of its clients.
- B. Support legislation that would permit regional administration of the health insurance program.
- C. Support legislation that would develop managed-care systems (e.g. systems that control the utilization of health care resources) over fee-for-service systems as a means to control costs without denying access to quality care.
- D. Support legislation that would require periodic evaluation of the health insurance program and the progress made toward achieving its goals, with emphasis on cost impacts, quality assurance, and measurement of increased access for traditionally under-served populations.
- E. Support legislation that would allow county representation on any state commission, task force or other groups that make decisions regarding health insurance.
- F. Support legislation that would provide funding or incentives for pilot projects designed to evaluate the effectiveness of alternative system designs.

III. Benefits

- A. Support legislation that would provide coverage for mental health and substance abuse services in addition to any minimum package for "major medical" coverage.
- B. Support legislation that would provide coverage of incarcerated persons and/or those under the custody of the county sheriff and chief probation officer — or secure their eligibility under the Medi-Cal program.
- C. Support legislation that would make available preventive care and/or incentives for employers to increase the benefit level of their employee coverage to include preventive care or the promotion of the "Healthy Worker — Healthy Workplace" model.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Health Insurance

**Policy  
Number**

M-56

**Page**

5 of 5

IV. Impact on Small Business

- A. Support legislation that would recognize the unique role that small business plays in the state's economy and do not adversely affect the ability of small business to compete in the marketplace.

**Responsible Departments**

Health and Human Services Agency

Human Resources

Office of Strategy and Intergovernmental Affairs

**Sunset Date**

This policy will be reviewed for continuance by 12-31-14.

**References**

Board Action 8/22/98 (68)

Board Action 8/14/90 (61)

Board Action 3/5/91 (26A)

Board Action 4/13/99 (42A)

Board Action 10/31/06 (14)

Board Action 12/11/07 (14)